

**REQUEST FOR PROPOSAL
FINANCIAL AND COMPLIANCE AUDIT
City of Gallatin Tennessee
February 11, 2016**

Purpose

The City of Gallatin, Tennessee (the City), has issued this request for proposals from interested auditors who are qualified under Tennessee state laws and regulations, for the performance of a financial and compliance audit of the City's general fund, special revenue funds, and utility funds, in accordance with the requirements and laws of the State of Tennessee. This audit shall be for the period beginning July 1, 2015 and ending June 30, 2016. Additionally, the agreement may be renewed annually for each of the next three years.

Scope

The auditor shall perform a financial and compliance audit of the financial statements of all funds and grant contracts of the City.

Type of Audit

The auditor shall conduct the audit in accordance with *Government Auditing Standards* and requirements prescribed by the Comptroller of the Treasury, State of Tennessee. If applicable, the audit should be conducted in accordance with the provisions of the Single Audit Act and U.S. Office of Management and Budget (OMB) Circular A-133 and any other applicable federal management circulars.

General Requirements

1. The auditor shall, as part of the written audit report, submit to the Gallatin City Council, a report containing an expression of an opinion that the financial statements are fairly presented, or an opinion qualified as to certain funds or items in the financial statements, a disclaimer of opinion and the reasons therefore, or an adverse opinion, and shall explain, in every detail, any unusual items or circumstances under which the auditor was unable to reach a conclusion. This report shall state that generally accepted government auditing standards have been followed in the audit.
2. The auditor's opinion shall be expressed on the opinion units identified in the AICPA Audit and Accounting Guide: *Audits of State and Local Governmental*, as well as the additional requirements in the State of Tennessee Department of Audit *Audit Manual*.
3. The auditor shall furnish ten (10) copies of the report to the City. The auditor shall file copies of said report with the Comptroller of the Treasury, and with the appropriate officials of the granting agencies.

4. If a management letter or any other reports or correspondence relating to findings or recommendations are issued in connection with this audit, a copy shall be filed with the Comptroller of the Treasury. Such management letters, reports, or correspondence shall be consistent with the findings published in the audit report (i.e., they shall disclose no material matters not also disclosed in the findings found in the published audit report).
5. The audit shall begin prior to the end of June 2016, and the reports shall be submitted prior to December 15, 2016, but in no case shall be filed later than December 31, 2016, six months after the fiscal year-end.
6. Pertinent data from the working papers shall be available for three years for reference, if requested by the City.
7. Any evidence of fraud, such as defalcation, misappropriation, misfeasance, malfeasance, embezzlement or other illegal acts shall be reported by the auditor, in writing, immediately upon discovery, to the Comptroller of the Treasury, State of Tennessee, who shall under all circumstances have the authority, at the discretion of the Comptroller, to directly investigate such matters. If the circumstances disclosed by the audit call for a more detailed investigation by the auditor than necessary under ordinary circumstances, the auditor shall inform the Gallatin City Council, in writing, of the need for such additional investigation and the additional compensation required. Upon approval by the Comptroller of the Treasury, an amendment to this contract may be made by the Gallatin City Council and the auditor for such additional investigation.
8. An audit exit conference with those charged with governance will be conducted by the auditor in charge. At this time, the findings and recommendations regarding compliance and internal control shall be discussed. Those charged with governance shall have the opportunity to respond in writing to the findings. Responses shall be included in the audit report.
9. The records of the City will not be removed from government offices except with expressed written permission of the City.
10. The audit firm shall state its willingness to enter into a contract for one year, renewable annually, for each of the next three years by the City.
11. All adjusting entries will be submitted to the local government in writing, with sufficient explanation, so that they can be easily understood and properly posted to the financial records. Example: listing of invoices charged to accounts payable supporting any adjusting entries.

General Information

The City shall have closed and balanced all accounts and shall have prepared financial statements for all funds to be examined by the auditor, no later than the last day of August following the end of a fiscal year.

If additional information is required prior to submitting a proposal, inquiries should be directed to Rachel Nichols, Finance Director, at rachel.nichols@gallatin-tn.gov or by telephone at 615-451-5963.

Proposal Format

The proposal shall be styled at the discretion of the submitter; however, at a minimum, it must address these areas:

1. Nature and extent of the firm's governmental auditing experience.
2. A copy of the audit firm's most recent external quality control review report should be provided to the local government.
3. Organization size and structure of the firm.
4. Qualifications of staff to be assigned to the work. Education, position in firm, and years and types of experience will be considered.
5. Availability of the auditor to the local government for specialized consultation and support assistance on sensitive or highly specialized issues.
6. The audit fee must be quoted either as a fixed amount or rate per hour, with total estimated hours. If the latter method is used, a maximum amount must be stated for budgetary purposes. Also, estimated incidental expenses, such as travel and supplies, will be included.

Submittal Information

Proposals shall be submitted no later than 1:00 p.m. on Thursday, March 18, 2016 to:

Rachel Nichols, Finance Director
City of Gallatin
132 W Main St, Room 106
Gallatin, TN 37066

Reservation of Right

The City of Gallatin reserves the right to reject any or all proposals, to waive technicalities or informalities, and to accept any proposal deemed to be in the best interest of the City.